



02.

KEY
THEMES



Response to Financial Instability

Sailing into the 21st Century

WSF entered the 1999/01 biennium with incredible momentum. A new high-speed passenger ferry and three new Jumbo Mark II auto/passenger ferries were delivered to WSF. Ferry customers enjoyed the ripple effect on systemwide capacity as the new vessels allowed for capacity upgrades on many routes throughout the system. High-speed, passenger-only ferry service to Bremerton was finally a reality, and ridership more than doubled with the introduction of the passenger-only fast ferry. Additionally, in 1998 taxpayers approved Referendum 49, which funded passenger-only ferry service from Kingston and Southworth to Seattle and appropriated funds to address the increasing preservation needs of WSF's rapidly growing system.

Referendum 49 provided additional funding for the State's transportation system by transferring additional funding from the Motor Vehicle Excise Tax

(MVET). The Legislature then appropriated a record \$289 million to the ferry capital program, including \$111 million from the proceeds of Referendum 49 bonds for the 1999/01 biennium. Based on projected ridership growth and the policy decision to expand the passenger-only program, WSF was positioned to provide expanded service and address the increasing preservation needs of the system. WSF's operating account had a fund balance of \$110 million, an amount necessary to support the increased levels of service for at least 10 years. But this momentum was not to be sustained. What happened?

Initiative 695

In November 1999, voters approved Initiative 695 (I-695), which abolished the MVET. Although the initiative was later declared unconstitutional by the state Supreme Court, the Legislature separately enacted and preserved the provisions of I-695. The removal of the MVET constrained the revenue source intended to pay for the Referendum 49 bonds. The net result was that the state's transportation system lost both its MVET revenue and the Referendum 49 bond revenue. This was particularly devastating for WSF.

Approximately 82% of WSF's capital program funding came from a combination of MVET revenue and Referendum 49 bond proceeds. MVET revenue also represented 20% of WSF's ferry operating revenues. With the passage of I-695, those funds evaporated. Prior to I-695, the ferry

operating account had a fund balance of approximately \$110 million, which was intended to help finance the expansion of passenger-only service. With the passage of I-695, plans for passenger-only ferry expansion were shelved and the \$110 million was used to offset revenue loss caused by eliminating the MVET. To meet the funding constraints imposed by I-695, WSF embarked on an action plan.

Efficiencies in Management

Immediately following the passage of I-695, WSF conducted a thorough review of all administrative staff and ultimately eliminated 92 management, engineering, and administrative support positions (both filled and vacant) to reflect the smaller program. WSF eliminated these positions in the first quarter of 2000, which reduced the number of management and support staff positions by 29%. This reduced the number of WSF management positions to 43, representing 2.4% of its 1,800 employees.

Throughout this process WSF kept employees informed about the effects of the passage of I-695. Immediately after the initiative passed, WSF Director/CEO Paul Green scheduled meetings with employees to discuss the effects of I-695. Weekly editions of *Fleet Focus*, WSF's employee newsletter, described the latest developments. Briefings were held for managers and employees concerning staff reductions to explain ground rules, process, and timetable for the required reductions. A series of

meetings with WSF unions focused on the impact of I-695 and the workforce reductions that would follow.

Service Reductions

In response to the revenue loss created by the elimination of MVET funds, the Transportation Commission prepared a supplemental budget entitled "Bare Bones," which reduced WSF's annual operating program by \$22 million, including \$16 million in annual service cuts. The Commission's "Bare Bones" proposal included:

- ▶ Eliminating Anacortes/Sidney B.C. route and the San Juan inter-island routes between October and May,
- ▶ Eliminating all passenger-only service,
- ▶ Reducing night and/or midday service on most routes,
- ▶ Increasing the number of tied-up vessels to ten.

This proposal was forwarded to Governor Locke in December 1999. After extensive deliberations, the 2000 Legislature settled on an \$11 million annual reduction to WSF's operating program, including \$6 million in annual, systemwide service reductions.

Before any specific service reductions were made, WSF embarked on an ambitious community outreach program to gather information to determine which sailings could be eliminated with the least impact on its customers. WSF held a series of ten community meetings to

discuss the impact of I-695 on the ferry system and proposed service reductions. Information gathered from this outreach was coupled with operational and financial data to determine several service reduction scenarios, which were combined through an iterative process to determine the final service eliminations.

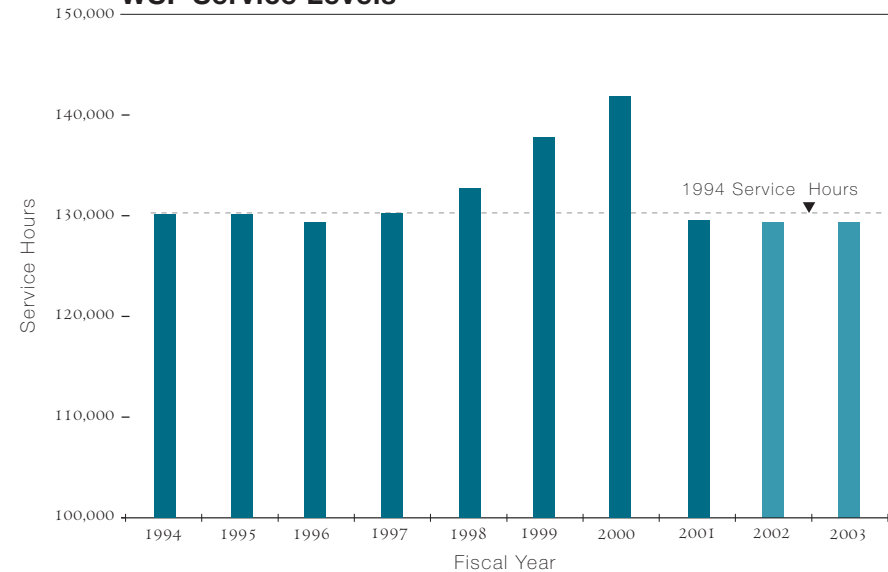
The ferry service eliminated in Spring 2000 included:

- ▶ The Monday through Thursday summer midnight sailing from Anacortes to the San Juan Islands;
- ▶ The Sunday through Thursday 1:00 a.m. sailing from Edmonds to Kingston;
- ▶ Early morning and evening service on the second vessel assigned to Keystone/Port Townsend route during the summer months;
- ▶ The summer-only third vessel on the Seattle/Bainbridge Island route;
- ▶ Four late-night sailings on the Seattle/Bremerton route on Fridays and Saturdays;
- ▶ Weekend passenger-only service on the Seattle/Bremerton route;
- ▶ Weekend passenger-only service on the Seattle/Vashon Island route; and
- ▶ Late evening service on the Point Defiance/Tahlequah run.



WSF community outreach regarding proposed service reductions.

WSF Service Levels



Objectives for the service cuts included reducing operating and capital costs while maintaining peak hour vehicle and passenger capacity and summer tourist route capacity. Reductions in ferry service began June 18, 2000. Three vessels were idled, including the *Nisqually*, the *Evergreen State*, and the *Hyak*. The latter two vessels were brought into service during the biennium to relieve other vessels on an “as-needed” basis. WSF delivered 142,000 hours of ferry service in fiscal year 2000 and 129,500 hours in fiscal year 2001—a reduction of 10%. This returned WSF to below its 1994 service level. The Legislative Joint Task Force on Ferries recommended that the reduced service should continue in the 2001/03 biennium.

As expected, a reduction in WSF's ridership was experienced in 2001 due to the service reductions. Ridership is

expected to decline slightly in the future due to the effects of sustaining the reduced service level and the ongoing fare increases.

Legislative Studies

During the 1999/01 biennium, WSF participated in three significant legislative studies concerning the operation and funding of WSF. The Blue Ribbon Commission on Transportation (BRCT), a 47-member body appointed by the Governor and Legislature, was established in 1998 for the purpose of reviewing the state's entire transportation system, including needed facilities and how they will be funded. Though its work was begun prior to the passage of I-695, the initiative's impact on transportation funding could not be ignored. WSF's Tariff Policy Committee

assisted the BRCT in evaluating the elasticity of demand for ferry services, and long-term funding and service scenarios. The BRCT presented recommendations to the Governor in December 2000. This report is available on-line at <http://lrc.leg.wa.gov/brct>

During the 2000 legislative session, the Legislature established the Joint Task Force on Ferries (JTFF) to recommend the future direction of the system. It included legislators from ferry and non-ferry districts, members of ferry advisory committees, non-ferry users, and representatives of unions, transit, WSF, the Governor's Office of Financial Management, industry, and tourism. The task force was asked to determine the percentage of operating expenses that fares should cover; explore options for cost and service reductions; assess the potential role of the private sector in ferry transportation; and evaluate the short and long-term capital needs of the system. The JTFF affirmed the importance of the ferry system as part of the state's highway network and concluded that the state is the most efficient provider of passenger-only ferry services. The document is available on-line at <http://htc.leg.wa.gov/Ferries.pdf>

Legislation passed during the 2000 session of the Washington State Legislature directed the Office of Financial Management (OFM) to conduct a performance audit of WSF's Capital Improvement Program. OFM instructed the auditors to determine "whether the

ferry system is acquiring, protecting, and using its resources economically and efficiently; the causes of inefficiencies and uneconomical practices; and whether the ferry system has complied with laws and regulation governing economy and efficiency. This audit shall build on audits performed under the direction of the Joint Legislative Audit and Review Committee on Ferry Capital Operations."

The performance audit stated, "that the Washington State Ferries' current decision-making process/model for capital investments is effective and sound. In addition, WSF has followed all statutes, rules, and regulations applicable to public procurement of preservation and construction services. Washington State Ferries has taken a progressive approach in a number of areas concerning the identification and assessment of the investments needed to assure vessels and terminals are operating in a safe and sound condition. In addition, it has pursued various procurement methods to increase cost-effectiveness and timeliness". The audit produced several recommendations, and WSF is now in compliance with all recommendations. The full report can be viewed on line at <http://www.ofm.wa.gov/wsf/auditreport.pdf>

Key Recommendations from Legislative Studies

Blue Ribbon Commission on Transportation

- ▶ Adopt WSF Tariff Policy Committee's recommended time-based-fare structure to promote route equity.
- ▶ Implement premium pricing for passenger-only service.
- ▶ Achieve an 80% farebox cost recovery rate for operating costs within six years.

Joint Task Force on Ferries

- ▶ Ferries are part of the state's highway system and should remain open.
- ▶ The state should continue to provide and maintain both auto and passenger-only ferry service.
- ▶ WSF should maintain an in-house maintenance and preservation facility.
- ▶ The majority of ferry users recognize the need to pay a greater share of operating costs. The Legislature should pass a waiver of I-601 for ferry tariffs so that the Transportation Commission can phase in tariff increases that will raise farebox recovery to 80% of operating costs over six years.
- ▶ WSF should continue to provide the reduced level of service funded in the 1999/01 supplemental budget through the 2001/03 biennium, including passenger-only service.
- ▶ Short-term and long-term capital preservation requirements should be met in order to ensure the delivery of operating services. The Legislature should fund the ferry capital program to a level that allows the ferry system to catch-up and keep-up with deferred life-cycle preservation and maintenance needs and replace aging vessels and terminals as needed.
- ▶ The state needs to do a better job of telling citizens what they are getting for their ferry operating and capital investments.
- ▶ WSF must continue to adopt operational efficiencies.
- ▶ The Legislature should review ferry governance options.

Performance Audit

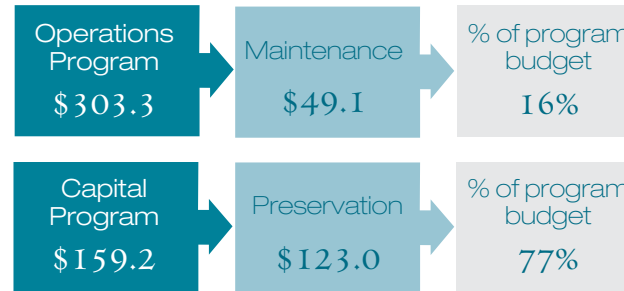
- ▶ WSF should incorporate an economic factor to the condition rating of the life-cycle model systems.
- ▶ WSF needs to improve internal contract administration.
- ▶ WSF's contracting process should be enhanced to allow a modified Request For Proposal process for new ferry construction.
- ▶ WSF's maintenance contracting process should be streamlined where there is limited competition.
- ▶ WSF's authority to utilize the Request for Proposal process to acquire equipment and systems should be expanded.

Maintenance and Preservation Expenditures

► 1997/1999 Biennium



► 1999/2001 Biennium



Focus on Maintenance and Preservation

In response to the Joint Task Force on Ferries (JTFF), WSF shifted its focus from expanding its people and vehicle moving capacity to protecting the public's investment in its existing facilities. WSF protects its terminals, vessels, and maintenance facilities through maintenance activities and capital preservation projects. Maintenance is a systematic day-to-day process used to control the deterioration of facilities and is funded through WSF's operating budget. Capital preservation consists of construction activities that extend the useful life or renew an existing facility, but do not change the capacity of the facility to meet travel demand. Preservation projects are funded by the capital budget. The difference between maintenance and capital preservation is based on the cost and longevity of the work.

During the 1999/01 biennium, WSF spent \$49.1 million in operating funds for maintenance activities, allocating \$32.9 million for vessels and \$16.2 million for

terminals, and \$123.0 million in capital funds to protect its existing infrastructure, allocating \$78.4 million for vessel preservation, \$37.6 million for terminal preservation and \$7.0 million for emergency repairs. This marked a dramatic shift towards preservation in the 1999/01 biennium. In the past biennium, WSF spent about 77% of its Capital Program funds on preservation compared to 45% in the 1997/99 biennium.

WSF's vessels and terminals are made up of approximately 2,600 systems and structures, which are divided into 'Category 1' (vital) and 'Category 2' (all other) systems and structures. Category 1 systems are those needed for the safety of people, vessels, terminals and the environment. Generally, these are systems and structures needed to load, start, continue in motion, land, and unload a vessel. Category 2 systems are all other non-vital systems. WSF uses a condition rating to monitor and manage its systems, which is defined as "the percentage of vessel and terminal systems and structures that are operating within their life cycles at a particular point in time."

In the 1999/01 biennium, WSF preserved 157 terminal and vessel systems and structures and ended the biennium with a life-cycle rating of 75% for Category 1 (vital) systems and structures, and 59% for Category 2 (other) infrastructure. The JTFF recommended raising the condition rating for Category 1 systems to between 90% and 100%, and maintaining the condition rating for Category 2 systems in the 60% to 80% range by 2011.

However, the JTFF concluded that WSF's life-cycle ratings for its capital assets will decline without increased investments beyond currently available revenue sources.

Fare Increase

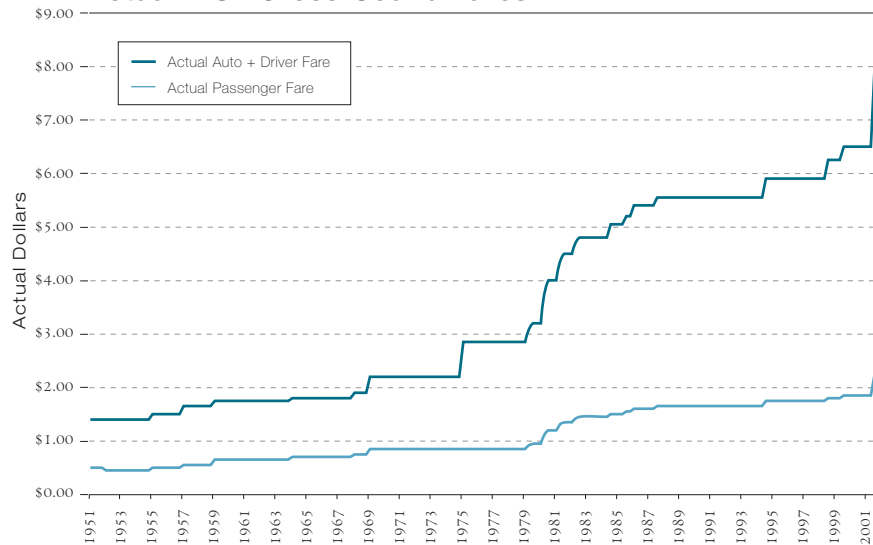
In addition to adjusting staffing to reflect the smaller program and implementing service reductions, WSF's Tariff Policy Committee (TPC) continued to scrutinize fares in light of the new financial challenges in the 1999/01 biennium. The TPC has been involved in on-going fares assessment since 1991. WSF fares have not kept pace with inflation over the past 40 years. When historical fares are

adjusted to year 2000 dollars based on the Seattle Consumer Price Index, it is evident that fares have actually declined during this period. In 2000, auto-driver fares and passenger fares were 39% and 53% lower than their 1960 levels respectively. Even with the fare increase in June 2001, auto-driver and passenger fares are similar to their levels in the mid and late 1970s.

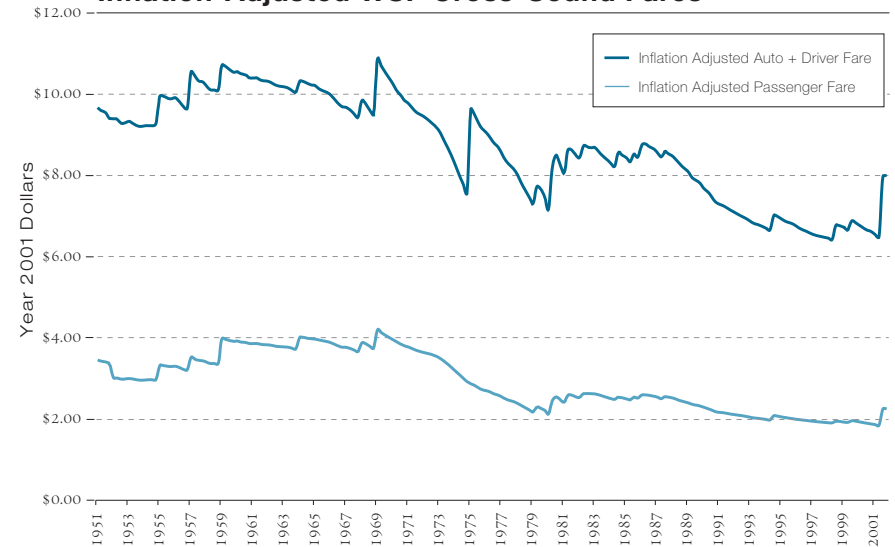
The TPC's work in the 1999/01 biennium included presenting three separate fare proposals to the Transportation Commission: providing technical support to the Legislature as it dealt with the ramifications of I-695, developing a new tariff structure to improve equity between routes, and helping to enact the largest fare increase in WSF's history. The TPC's work reflected the recommendations of the Blue Ribbon Committee on Transportation and the Joint Task Force on Ferries.

The TPC also took steps toward achieving route equity by recommending a time-based fare structure in which the space on the car deck operates somewhat like a parking lot. Users pay for the amount of space they use and the length of time they occupy that space. To avoid pushing traffic from one route onto another, two travel sheds were identified in which two or more routes were interchangeable. These travel sheds included: 1) routes to and from Vashon Island, and 2) the Kingston, Bainbridge and Bremerton routes. Within these travel sheds, a single-fare structure would be implemented. The TPC suggested a phased approach to implementing the time-based fare structure.

Actual WSF Cross-Sound Fares



Inflation-Adjusted WSF Cross-Sound Fares



In addition to improving equity among routes, the TPC addressed the need to increase fare revenue in the wake of I-695. With the ultimate goal of achieving 80% farebox recovery recommended by both the BRTC and the JTFF, the TPC evaluated the effect that different levels of fare increases would have on ridership and revenue. It was assumed that an increase in fares would diminish ridership to some degree. After analyzing the overall impact of several scenarios, the TPC recommended an average across-the-board fare increase of 20% to be implemented June 2001. In addition to the 20% fare increase, WSF imposed a flat \$1.00 surcharge on passenger-only fares, to be collected each way. Finally, the committee recommended that WSF discontinue the practice of providing refunds on unused portions of coupon books.

WSF conducted an extensive public outreach program to discuss the proposed changes in the spring of 2001. During February and March 2001, thirteen public meetings were held to receive public comment on the TPC's fare proposal. During the public comment period, WSF received 1,472 pieces of correspondence related to the fare increase. Public input contributed significantly to the final proposals that were adopted.

The June 2001 fare increase was identified as the first of a series of fare increases over the next several years to achieve an 80% farebox recovery of operating costs as recommended by the BRTC and the JTFF. The magnitude of future fare increases will depend on how they affect ridership, on budget requirements, and other factors. The observed impact of the fare increase on ridership and revenue will influence WSF's future decisions concerning fare increases.



WSF community outreach regarding proposed fare increase.

One Way Auto/Driver and Passenger Fares

| | 1999/01 Fares | | | Fares Effective June 3, 2001 | | |
|---|---------------------|-----------------------|-----------------------------------|------------------------------|-----------------------|-----------------------------------|
| | Passenger Full Fare | Auto/Driver Full Fare | Peak Season Auto/Driver Full Fare | Passenger Full Fare | Auto/Driver Full Fare | Peak Season Auto/Driver Full Fare |
| Cross Sound Routes | | | | | | |
| Edmonds/Kingston ¹ | \$1.85 | \$6.50 | \$8.25 | \$2.25 | \$8.00 | \$10.00 |
| Seattle/Bainbridge Island ¹ | 1.85 | 6.50 | 8.25 | 2.25 | 8.00 | 10.00 |
| Seattle/Bremerton ¹ | 1.85 | 6.50 | 8.25 | 2.25 | 8.00 | 10.00 |
| Seattle/Bremerton Passenger-Only ² | 1.85 | NA | NA | 3.25 | NA | NA |
| Fauntleroy/Southworth ¹ | 1.85 | 6.50 | 8.25 | 2.00 | 7.00 | 8.75 |
| Seattle/Vashon Island Passenger-Only ² | 1.85 | NA | NA | 3.25 | NA | NA |
| Port Townsend/Keystone ³ | 1.85 | 6.50 | 8.25 | 2.00 | 7.00 | 8.75 |
| Short Routes | | | | | | |
| Southworth/Vashon Island ⁴ | \$1.25 | \$4.50 | \$5.75 | 1.45 | 5.13 | 6.50 |
| Point Defiance/Tahlequah ⁴ | 1.25 | 4.50 | 5.75 | 1.45 | 5.13 | 6.50 |
| Mukilteo/Clinon ¹ | 1.25 | 4.50 | 5.75 | 1.35 | 5.00 | 6.25 |
| Fauntleroy/Vashon Island ⁴ | 1.25 | 4.50 | 5.75 | 1.45 | 5.13 | 6.50 |
| San Juan Island Routes | | | | | | |
| Anacortes/Lopez ⁵ | \$2.65 | \$6.65 | \$8.40 | 3.40 | 8.50 | 10.63 |
| Anacortes/Shaw/Orcas ⁵ | 2.65 | 7.90 | 9.90 | 3.40 | 10.00 | 12.50 |
| Anacortes/Friday Harbor ⁵ | 2.65 | 8.90 | 11.15 | 3.40 | 11.25 | 14.13 |
| Inter Island ⁵ | No Charge | 3.75 | 4.75 | No Charge | 4.50 | 5.63 |
| San Juan Islands to Sidney B.C. ³ | 4.00 | 9.00 | 21.25 | 4.25 | 9.75 | 21.25 |
| Anacortes/Sidney B.C. ³ | 9.10 | 24.75 | 41.00 | 11.00 | 29.75 | 41.00 |

1. Round trip passenger fares are collected westbound only. Vehicle/driver fares are collected each way.

2. Round trip passenger fares are collected westbound only.

3. Passenger and vehicle/driver fares are collected each way.

4. Round trip passenger and vehicle/driver fares are collected to Vashon Island only.

5. Round trip passenger and vehicle/driver fares are collected westbound only.

NA - Not Applicable

Safety & Training

Despite the financial challenges experienced in the 1999/01 biennium, WSF's commitment to safety and training did not waiver. Although WSF had to cut both personnel and service in the 1999/01 biennium, it did not cut back on its safety and training programs, and in fact, increased expenditures in these areas. During the biennium, WSF updated safety procedures throughout its entire system, addressed new lifesaving standards initiated by the U.S. Coast Guard, continued its on-going employee training program, and participated in multi-agency emergency preparedness activities. The importance of safety and training was recognized by the legislature, which authorized funding to implement these programs. Because of these proactive steps to improve safety and training, WSF was better prepared to respond to heightened security and safety requirements after the September 11, 2001 terrorist attacks.

Safety Management System

In 1998, WSF successfully implemented a limited Safety Management System

(SMS) on its international route from Anacortes, Washington to Sidney, British Columbia to comply with International Safety Management (ISM) Code requirements. This included developing a series of manuals, training tools, and corrective action procedures for employees to report safety concerns. After successfully implementing SMS on its international route, WSF leaders decided to voluntarily implement SMS throughout the entire organization. This expanded SMS to a comprehensive system that included all of WSF's

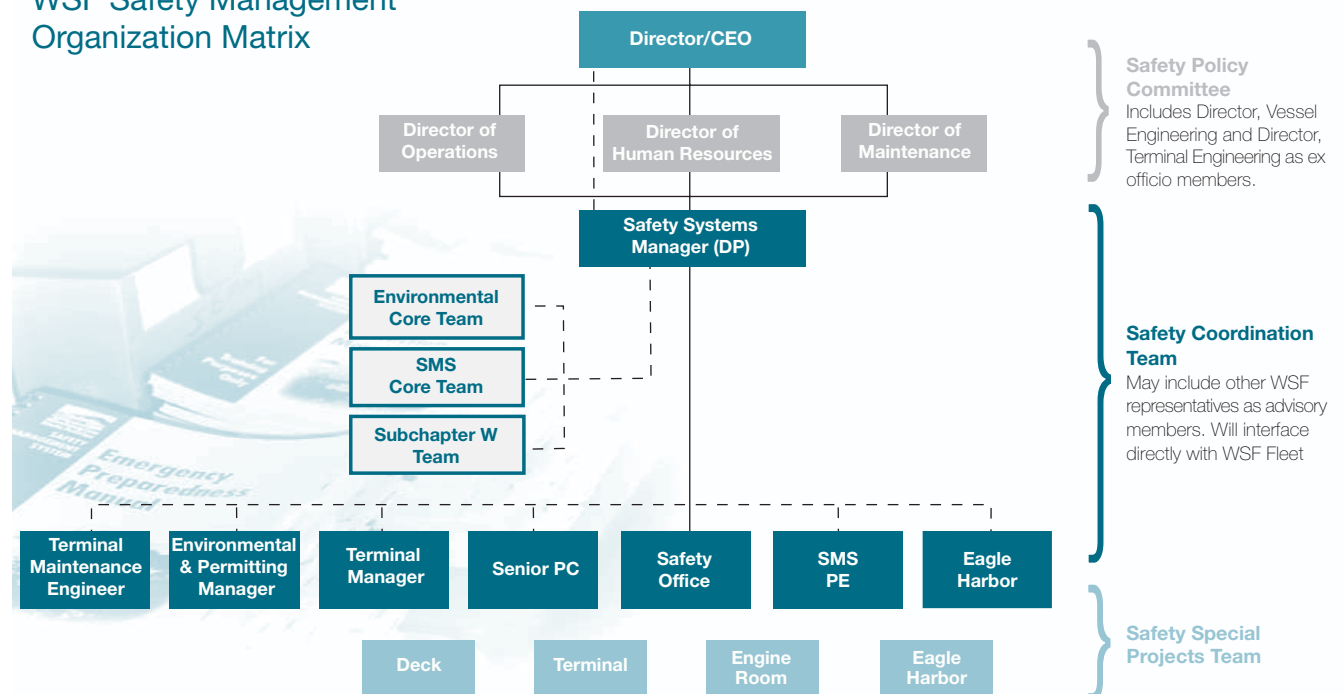
domestic and international vessel and terminal operations, as well as maintenance activities.

An SMS Core Team was chartered to develop and implement this new system. By the end of the process, WSF had developed or updated 40 unique SMS manuals that defined over 1,000 safety procedures for all of its terminal facilities, vessels, and routes. It also provided direct fleet and shoreside training about the use of these safety procedures to over 400 employees, who in turn coordinated training of another 1,100 employees.

SMS Enhancements

- Provides a system for management to communicate policies and expectations about safety and environmental protection to employees.
- Provides consistent and clearly written procedures to guide WSF employees in the daily execution of their duties.
- Incorporates and consolidates regulatory requirements from external agencies such as the U.S. Coast Guard and Department of Ecology.
- Provides a means for employees to report safety concerns.

WSF Safety Management Organization Matrix



A significant benefit of SMS has been the increased cross-departmental dialogue between WSF directors and managers on SMS and other issues. This is due to the creation of the Safety Management Organization Matrix, which was structured to support SMS program activities and continuous improvement. That matrix structure is also being utilized to build a more effective training program. There is an increased awareness at all levels of the connection between establishing policy and enacting procedures. This ongoing commitment to SMS is bringing about a new appreciation between ship and shore, which promises to enhance morale and instill the belief that safety is everyone's responsibility.

For its outstanding effort, WSF's SMS Core Team was honored with a national Trailblazer Quality Team Recognition Award from the Association of State Highway and Transportation Officials (AASHTO). This award recognizes teams of transportation employees across the country that have demonstrated performance excellence and contributed to their agencies through successful teamwork. The SMS Core Team is the first AASHTO award recipient ever at WSF, and is one of only 22 teams nationwide to earn this coveted award.

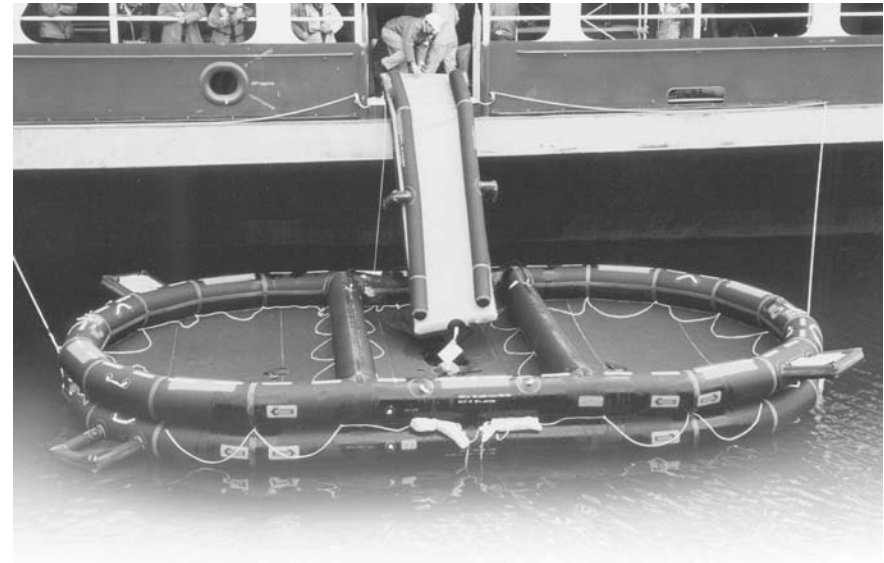
Coast Guard Life Saving Regulations

WSF has continued its on-going working relationship with the U.S. Coast Guard to address new passenger vessel lifesaving regulations. To comply with

these provisions, WSF is required to perform a safety assessment that identifies the risks associated with ferry operations within the Puget Sound and develop a comprehensive Shipboard Safety Management and Contingency Plan (SSMCP) to address these risks.

An independent Blue Ribbon Panel evaluated WSF's operational safety during a risk assessment in the 1997/99 biennium. This assessment concluded that WSF's historical safety record compares favorably with other maritime and non-maritime surface transportation modes, and the accident rate for WSF vessels was significantly lower than other vessels on Puget Sound. It also recommended specific improvements. WSF has made progress on all of those recommendations.

The SSMCP elements are designed to minimize the likelihood of an accident occurring, and if one does occur, to maximize response efficiency and passenger safety. All applicable elements of the SSMCP will be integrated into WSF's Safety Management System. The SSMCP includes appropriate shipboard management policies and detailed operational procedures. One of the primary elements related to passenger safety is the evacuation strategy. WSF established self-sufficient response objectives regarding the capacity of on-board survival craft that were tailored to the specific passenger loads on each of its vessels. The main objective is to provide sufficient emergency passenger capacity, through onboard or readily available survival crafts, to accommodate 100% of all peak passenger loads.



Training exercise with life rafts.

WSF's SSMCP Vessel Equipment List

- ▶ Four marine evacuation slide (MES) systems on all vehicle ferries. Each MES has a capacity of 150 persons, for a total of passenger capacity of 600 persons.
- ▶ Four additional 150-person life rafts on the Jumbo Mark II ferries, which can accommodate another 600 passengers.
- ▶ Towing bridles for each vehicle ferry, so one ferry could tow a distressed ferry to safety.
- ▶ Zodiac Hurricanes rescue boats to enhance speed of deployment, reliability and capability of operations.

Other Safety Programs

WSF partnered with the U.S. Coast Guard on other safety programs in the 1999/01 biennium. One example of this cooperative approach to safety was the Crew Endurance Study conducted by the U.S. Coast Guard Research and Development Center in August 2000. This study evaluated vessel working conditions and how they affect the crew's ability to perform. Participants wore a wrist monitor that collected daily activity and light-level data for a one-month period. As a result of this study, crew schedules were adjusted to avoid the most fatiguing watch routines.

WSF continues its aggressive safety, security and environmental protection agenda for the next biennium. The sweeping lifesaving equipment installations are on schedule to be completed across the fleet by October 2003, including the corresponding fleet training. In the wake of the September 2001 terrorist attacks WSF will be aggressively pursuing, in concert with the U.S. Coast Guard and Washington State Patrol, initiatives to enhance WSF's overall security posture.

Training

WSF significantly increased its training program to implement the safety improvements described previously. The major programs included training for WSF's new SMS, the internationally mandated Standards of Training,

Certification and Watchkeeping for Seafarers (STCW), and the Coast Guard lifesaving regulations.

Both the SMS and STCW training programs involved developing policy and curriculum, refining safety training practices, preparing analyses, developing auxiliary training manuals and videos, and collaborating with the Coast Guard. SMS, in particular, was designed to ensure that best business practices are clearly defined and documented to conform to regulatory requirements, and to provide opportunities for continuous improvement through input from employees.

The Training Organization was also asked to take the lead on the implementation of Phase 1 of the new U.S. Coast Guard lifesaving regulations, which went into

effect in 2000. The regulations required enhancements in lifesaving protocols and equipment. The WSF plan included an updated Firefighting and Safety Training Manual, emergency contingency plans, new vessel signage, revised safety training guidelines for on-board food service workers, installation of new safety equipment, comprehensive initial and refresher training for all vessel personnel and new training logbooks aboard all vessels.

Another safety focal point was revising procedures for proper handling, storage, and disposal of hazardous waste in compliance with federal and state hazardous waste regulations. This initiative, a joint effort of WSF and the Washington State Environmental Affairs Office, included fleetwide training, creation of an agency spill response plan, and development of a training video.

Other WSF Training

- ▶ Safety training for deck, engine, and maintenance employees including advanced first aid, Labor and Industry standards and use of an automated external defibrillator.
- ▶ Employee development classes including training in Americans with Disabilities Act (ADA), diversity, ethics, customer service and supervisory skills.
- ▶ Technical training classes including radar familiarization, passenger-only fast ferry, terminal skills review and instructor certification.

WSF's Training Organization underwent significant changes in the 1999/01 biennium. A Training Coordination Team and Training Policy Committee were established to facilitate communication and planning with the workgroups, offices, and departments who are the primary stakeholders in training initiatives. Through this process, the Training Organization addressed several long-term policy issues by developing a comprehensive training plan and budget, developing training matrices for vessel and terminal employees, enhancing automated training documentation and creating customized budget reports for improved accountability. In the 1999/01 biennium, WSF personnel spent approximately 107,000 hours in training. This training level represents a 212% increase in the number of training hours compared to the 1997/99 biennium.

In the future, WSF's Training Organization will continue its STCW and Coast Guard lifesaving training, and technical training with a new Vessel Familiarization training program. The latter program will standardize training aboard WSF vessels to ensure all fleet personnel are trained on essential vessel systems and equipment. The comprehensive nature of this important program will require developing 32 individual vessel specific training manuals, revising WSF operating policies and procedures, and developing a system to dispatch qualified/trained personnel to each vessel.



WSF employees in a firefighting training exercise.

Beyond the Call of Duty

Training provided by WSF pays off for Washington State citizens as many WSF employees heroically go “beyond the call of duty” in lifesaving rescues on and around the Puget Sound, including five significant rescues this biennium.

On November 4, 2000, the crew of the *Kitsap* responded to a U.S. Coast Guard emergency broadcast and deviated from its Seattle-Bremerton route to investigate a report of a partially submerged boat and persons in the water. Because sea and weather conditions were not optimal for a rescue boat, the captain maneuvered the 328-foot, Issaquah-

class ferry into a pick-up position and both survivors were brought on-board. Both men were treated for hypothermia by the vessel crew while on their way back to Seattle to meet emergency crews assembling at Colman Dock.

On December 7, 2000, the *Chinook's* crew helped save a woman suffering a heart attack. The crew used the automatic external defibrillator (AED) machine on the Chinook to give the woman several shocks and then began cardiopulmonary resuscitation. The woman began breathing shortly thereafter. She was then transported to a local hospital by Bremerton Fire District medics.

On February 8, 2001, crews from the *Sealth* and *Evergreen State* were instrumental in the rescue of two men in the San Juans. On their eastbound trip from Lopez Island, the *Sealth's* crew spotted an empty Zodiac rigid hull inflatable boat bouncing across Rosario Strait. The captain turned the ferry to pursue the boat and investigate the situation. On its westbound trip from Anacortes, the *Evergreen State* observed the *Sealth* pursuing the boat. The vessel captains quickly decided that the *Evergreen State* was in a better position to pursue the empty craft, while the *Sealth* would range south to search for survivors. In choppy seas and with a strong ebb tide, the *Evergreen State*

crew pursued and retrieved the small craft. Soon the U.S. Coast Guard arrived to take over the search for survivors. The search ended successfully that evening, when the boat's two former occupants were found cold and tired, but alive thanks to their survival suits, on the shores of Burrows Island.

On March 3, 2001, the crew from the *Spokane* witnessed a vehicle driving off the bluff near the Kingston ferry terminal. The captain launched a rescue boat and Kingston terminal employees ran to the beach to assist the trapped motorist. Firefighters soon arrived to remove the vehicle doors and cut the 19-year-old victim out of his seatbelt and placed him on a backboard. He was then taken on the rescue boat to the dock where he was airlifted to Harborview Medical Center in Seattle.

On the evening of July 10, 2001, the crew from the *Hyak* and ferry passengers heard cries for help from the water as the ferry entered Rich Passage. The captain stopped the vessel, lookouts were posted, and the rescue boat was prepared for launching. Once the two men in the water just off Orchard Point were spotted, the crew reacted quickly and rescued them. The crew then cared for both men, one of whom was suffering from extreme hypothermia.

In addition to these spectacular rescues, WSF vessel crews are always on the watch throughout the Puget Sound and assist boaters and the U.S. Coast Guard on a regular basis. WSF personnel are recognized internally for their heroic acts, but some rescues are also acclaimed by other organizations. Representatives from the U.S. Coast Guard recognized



Senator Patty Murray and Doug MacDonald presenting the Hyak's crew and WSF passenger with the public service commendation.

and presented awards to the captain and crew of the *Kitsap* for their dramatic rescue in November 2000. Crew members from the *Chinook* were recognized for their courage, kindness, and unselfish character by the American Red Cross for assisting the woman suffering from a heart attack at the Bremerton terminal. Representatives from the U.S. Coast Guard presented the captain and crew of the *Hyak* with a Public Service Commendation for their exemplary performance during the July 2001 rescue. The commendation concluded that, "it is a great comfort to the boating public, and to the Coast Guard, to know that such skilled and

willing resources ply the waters of Puget Sound."

Emergency Preparedness

Emergency preparedness has also been a primary focus for WSF over the 1999/01 biennium. In the past, all emergency operations were coordinated through WSF's Operations Center, which is staffed 24-hours per day, 365 days per year at Colman Dock. In September 1999, WSF initiated its Emergency Operations Center, also located at Colman Dock, which becomes the Central Puget Sound's Unified Command Center during a major ferry vessel emergency.



WSF participating in a multi-agency emergency exercise.

Almost immediately, WSF's Emergency Operations Center was activated for three significant events in 1999—a coordinated multi-agency vessel emergency exercise, the World Trade Organization (WTO) meeting in Seattle, and Year 2000 rollover (Y2K). In September 1999, WSF joined the U.S. Coast Guard, and the City of Seattle Fire Department's Special Operation Units in a simulation exercise involving the release of an unknown hazardous material substance onboard a ferry. The event was a real-world test of communications, a demonstration of shipboard response to a mass casualties incident, and a test of the Unified Command Center. It involved helicopter airlift operations, airlift medical evacuation, ship-to-ship-at-sea passenger evacuation, and a demonstration of basic personnel and equipment decontamination methods.

In November 1999, the Emergency Operations Center was activated for four days in response to the WTO event and ensuing riots in Seattle. The Emergency Operations Center was coordinated with Washington State Patrol to provide for State Trooper presence onboard Seattle-bound ferries and at Colman Dock. No major problems occurred within the ferry system during WTO. Then, in December 1999, the Emergency Operations Center was activated to support WSF vessels and terminals during the Year 2000 date change event. No significant system failure occurred within WSF during the rollover period.

In February 2001, the Emergency Operations Center was activated to respond to the 6.5-magnitude Nisqually

earthquake that shook the Puget Sound. Immediately after the quake, WSF requested that all ferries stand off from their respective terminals for 30 minutes in order to ride out any quake-induced wave action. WSF inspected all 20 terminals after the earthquake and found that four experienced some damage—Colman Dock, Vashon, Bremerton, and Fauntleroy terminals. Damage ranged from settling sea walls to sheared bolts. A total of 17 sailings were cancelled after the quake, but WSF was able to resume safe service for its customers soon after the emergency.

The EOC was activated the morning of September 11, 2001 in response to the terrorist attacks on the east coast and the heightened security procedures that followed, WSF Pilot Houses were immediately locked down and all WSF vessels (except for the islands) went to passenger-only mode. When U.S. - Canada border was closed, WSF coordinated closely with immigration and customs officials concerning passengers on the Anacortes-Sidney, B.C. run. The EOC continued to operate for several days until the situation was stabilized.

WSF also participated in several exercises and training sessions organized by other agencies this biennium. The simulations included a response to an oil spill, a downed aircraft, an earthquake and possible tsunamis, and a nuclear weapons accident at Bangor. In the future, WSF plans to continue its participation in multi-agency emergency exercises and training sessions to enhance public safety throughout the Puget Sound region.

Changes to Customer Service

In addition to enhancing safety and training throughout its system, WSF added new services to improve the customer's ability to obtain and utilize information quickly and effectively. Significant projects completed this past biennium include:

- ▶ On-line Monthly Passes. This service was launched in May 2001 and allows customers to purchase Central Sound monthly passenger-fare passes from WSF's web site using a credit card. Formerly, these passes were only available from employers participating in the employer pass program. WSF's existing staff launched this new activity, no additional employees were added.
- ▶ Year-round Ferry Reservations for Anacortes/Sidney Route. This feature allows customers to reserve space on the Anacortes/Sidney route via a telephone order or on-line using WSF's web site.
- ▶ Email Alert Program. This program, which was started in 1999, allows

customers with an email address to sign up for real-time messages concerning particular routes of interest. The number of participating customers has increased from 500 in 1999 to about 8,000 in 2001. Because of the large numbers, WSF will be enhancing this program so customers can select only service disruption messages, or all alerts for their route(s). This feature is expected to be implemented in May 2002. The email alert program has reduced phone calls to WSF by 41%.

- ▶ Automated Phone System. This service was upgraded to include "Frequently Asked Questions" information for after-hours calls and peak volume calls. It includes information on routes, schedules, fares, WSF web site address, approximate wait times at terminals and international trips to Victoria, British Columbia via Sidney, B.C.

WSF's most popular customer service is its web site (<http://www.wsdot.wa.gov/ferries>), which was updated this biennium to include a new look and several new features such as a fare calculator, on-line purchase page, improved alerts, and comprehensive information about WSF's ADA (Americans with Disabilities Act) compliance. Web site visits have increased since the redesign and customer comments show their appreciation for WSF's efforts to make the site more user-friendly.

WSF also improved the existing schedule and route pages based on input from

WSF's Website



customers. Two innovative features on the web site include:

- ▶ VesselWatch. WSF created an on-line map that allows customers to see actual vessel locations on the Sound. WSF uses Global Positioning System (GPS) information from each vessel to update the map every three minutes. This technology will also enable WSF to capture and report on real-time service delivery.
- ▶ FerryCam. WSF installed web cameras at selected terminals throughout the system including: Colman Dock in Seattle, Bainbridge

Island, Edmonds, Kingston, Mukilteo, Clinton, Anacortes, Friday Harbor and Orcas Island. These cameras help customers make travel decisions by showing real-time pictures of the terminal's holding and tollbooth areas.

These WSF's improvements have changed how customers obtain information. There was a 400% increase in information e-mails and almost a 1,000% increase in web site visits this biennium. 📶

WSF Customer Information Requests by Source

| Route | 1997/99 | 1999/01 |
|--------------------------------|------------|-------------|
| Automated Phone Calls | 1,803,800 | 1,406,700 |
| WSF Web Site Hits | 22,036,300 | 203,108,000 |
| Information Center Phone Calls | 339,000 | 272,500 |
| Information Center E-Mails | 10,100 | 42,500 |

Table reflects information requests by calendar year (January through December).